

**BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI**

In the Matter of the Application of Union                     )  
Electric Company d/b/a Ameren Missouri                     )  
For an Order Authorizing the Issue and Sale                     )  
of Up to \$450,000,000 Aggregate Principal                     )  
Amount of Additional Long-Term Indebtedness                     )

**File No. EF-2019-0215**

**STAFF RECOMMENDATION**

**COMES NOW** the Staff of the Missouri Public Service Commission through the Staff Counsel's Office and files Staff Memorandum Recommendation suggesting that the Missouri Public Service Commission approve Union Electric Company's d/b/a Ameren Missouri ("Ameren Missouri") Motion For Expedited Treatment And Application For Financing Authority with conditions. Also Staff has no objections to the Commission granting Ameren Missouri's separate filing of a Request For Waiver Of 60-Day Requirement. In particular in support of Staff's Memorandum Recommendation, Staff states as follows:

1. On January 18, 2019 Ameren Missouri filed its Motion For Expedited Treatment And Application For Financing Authority, pursuant to Sections 393.180 and 393.200 RSMo., 4 CSR 240-3.120, and 3.220 (replaced by 4 CSR 240-10.125), 4 CSR 240-2.060, and 4 CSR 240-2.080(14).<sup>1</sup> Ameren Missouri also filed its Request For Waiver Of 60-Day Requirement pursuant to 4 CSR 240-4.017(1)(D) and 4.015(10).

2. Ameren Missouri proposes to issue and sell from time to time, in one or more transactions, up to \$450,000,000 aggregate principal amount of "New Indebtedness" in one or a combination of the following forms: first mortgage

---

<sup>1</sup> Ameren Missouri notes in its Application that effective January 30, 2019, 4 CSR 240-3.120, and 3.220 are rescinded and replaced by new Rule 4 CSR 240-10.125.

bonds or other forms of secured indebtedness (including senior secured debt securities secured by a corresponding series of first mortgage bonds).

3. Ameren Missouri proposes to use the proceeds from the issuance and sale of the New Indebtedness, after payment of underwriters: (1) to pay shortly after maturity, short-term debt incurred as a result of paying at maturity, \$329,283,000 principal amount of Company's 6.70% Senior Secured Notes due February 1, 2019, and (2) to refinance other short-term debt consisting of commercial paper borrowings and, potentially, money pool borrowings.

4. Ameren Missouri requests at page 9, Paragraph 20 of its Application that in order to provide it flexibility with respect to the issuance of the New Indebtedness, the Commission's Order approving the Application should have an effective no later than March 2, 2019. Ameren Missouri also requests at page 9, Paragraph 20 of its Application that the Commission's Order be effective for a one-year term from its effective date.

5. Staff proposes seven (7) conditions in its Memorandum Recommendation:

- (i) That nothing in the Commission's order shall be considered a finding by the Commission of the value of this transaction for rate making purposes, and that the Commission reserve the right to consider the rate making treatment to be afforded the financing transaction and its impact on cost of capital, in a later rate proceeding;
- (ii) That the Company shall file with the Commission within 10 days of issuance of any financing authorized pursuant to a Commission order in this proceeding, a report including the amount of secured indebtedness issued, date of issuance, interest rate (initial rate if variable), maturity date, redemption schedules or special terms, if any, use of proceeds, estimated expenses, and loan or indenture agreement concerning each issuance. In addition, the Company shall also provide the analysis, to include but not be limited to indicative pricing information provided by investment banks, it performed to determine that the terms for the debt it decided to issue were the most reasonable at the time;

- (iii) That the Company shall file with the Commission any information concerning communication with credit rating agencies concerning any such issuance;
- (iv) That the Company shall file with the Commission as a non-case related submission in EFIS under “Resources” - “Non-Case Related Query” - “Ordered Submission” any credit rating agency reports published on Ameren Missouri’s or Ameren’s corporate credit quality or the credit quality of its securities;
- (v) That Ameren Missouri be required to file a five-year capitalization expenditure schedule in future finance cases;
- (vi) That Ameren Missouri be required to file in future finance cases whereby the use of proceeds includes the repayment of short-term debt which cannot be linked to the repayment of long-term debt, a schedule that reconciles short-term debt incurred for purposes of long-term capital projects specifically and individually disclosed in quarterly and annual filings with the Securities and Exchange Commission. For those capital expenditures not categorized in Securities and Exchange Commission filings, Ameren Missouri shall provide an aggregate sum of the miscellaneous expenditures;
- (vii) That the Commission’s grant of authority shall expire one year from the effective date of the order in this proceeding.

On page 1, Paragraph 1 of its Application, Ameren Missouri notes that “pursuant to the Commission’s *Order Approving Application* issued on March 21, 2018, in File No. EF-2018-0213 (*‘2018 Order’*), the Company agreed to meet certain additional conditions in its subsequent requests for financing authority,” which except for clarification in one instance are the same as those requested by Staff in the attached Staff Memorandum Recommendation.<sup>2</sup>

---

<sup>2</sup> The last five (5) words of Condition (i) above are “in a later rate proceeding” and the last four (4) words of Condition 1.(a) in the Commission’s Order Approving Application issued on March 21, 2018, in File No. EF-2018-0213 are “in any later proceeding.”

Condition (iii) is addressed at page 8, Paragraph 17 of Ameren Missouri's Application and accepted by Ameren Missouri pursuant to the Commission's Order Approving Application issued on March 21, 2018, in File No. EF-2018-0213.

Condition (v) is addressed at page 8, Paragraph 18 of Ameren Missouri's Application and accepted by Ameren Missouri pursuant to the Commission's Order Approving Application issued on March 21, 2018, in File No. EF-2018-0213.

Condition (vi) is addressed at pages 8 and 9, Paragraph 19 of Ameren Missouri's Application and accepted by Ameren Missouri pursuant to the Commission's Order Approving Application issued on March 21, 2018, in File No. EF-2018-0213.

Condition (vii) is addressed at page 9, Paragraph 20 and the WHEREFORE clause of Ameren Missouri's Application and accepted by Ameren Missouri.

6. The Staff Memorandum Recommendation before setting out Staff's proposed conditions on page 5 states that the Commission should approve Ameren Missouri's Application as not detrimental to the public interest. Ameren Missouri's Application states at page 9, Paragraph 20 that "[t]he issuance and sale of the New Indebtedness, as proposed and described herein, will not be detrimental to the public interest, and is reasonably required."

7. As required by Section 393.200, RSMo, the proposed issuance of debt securities is or will be reasonably required for the purposes specified in the application and that such purposes are not in whole, or in part, reasonably chargeable to operating expenses or to income.

8. Staff has no objection to the Commission granting Ameren Missouri a waiver of the 60-day notice requirement pursuant to 4 CSR 240-4.017(1)(D) and 4.015(10).

**WHEREFORE** Staff hereby requests that the Commission approve Ameren Missouri's Application and Staff's recommended conditions with an effective date no later than March 2, 2019 and Staff advises that it has no objection to Ameren Missouri's Request For Waiver Of 60-Day Requirement.

Respectfully submitted,

**/s/ Steven Dottheim**

Steven Dottheim, Mo. Bar #29149

Chief Deputy Staff Counsel

(573) 751-9285 (Fax)

(573) 751-7489 (Telephone)

steve.dottheim@psc.mo.gov (E-mail)

Attorney for Staff of the

Missouri Public Service Commission

#### **CERTIFICATE OF SERVICE**

I hereby certify that a copy of the foregoing was served via e-mail on Counsel for the Parties of record to this case, on this 8th day of February, 2019.

**/s/ Steven Dottheim**